

NIS COMMITTEE MEETING NO. 58

21 February 1950

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1. The following were present:

Mr. Lydman	State	Lt. Cdr. Nutt	Navy
Mr. Fletcher	State	Lt. Col. Wade	Air Force
**Mr. Clinton	State	*Cdr. Friedman	MBPC
Lt. Col. Ruwet	Army	*Cdr. Ramee	MBPC
Lt. Col. Kiel	Army	*Maj. Latta	MBPC
*Lt. Col. Hansen	Army	*Mr. Ortiz	MBPC
Dr. Debevoise	Army		CIA (D/Ma)
*Maj. Cowart	Army		CIA (D/Ma)
*Maj. Joy	Army		CIA (Acting Chairman)
Cdr. Howell	Navy		

\* Working level specialist  
\*\* Observer from OIR, State

2. The following points relative to treatment of intelligence on petroleum pipe lines were decided:

a. The subject of "petroleum pipe lines" is transferred from Chapter III (Transportation and Telecommunications) to Chapter VI (Economic) and Supplement No. V (Petroleum).

b. Responsibility for preparation of portions of NIS dealing with petroleum pipe lines is reallocated, effective at the beginning of FY 1951, from the Department of the Army (Corps of Engineers) to the Munitions Board Petroleum Committee.

c. The draft of the outline and outline guide for Section 34 (Petroleum Pipe Lines) is passed to the Munitions Board Petroleum Committee. This committee will incorporate the requirements contained therein into Subsection 62C (Petroleum) and Supplement No. V (Petroleum). Section 34 is discontinued.

d. The outlines and outline guides for Subsection 62C and Supplement No. V, which will include the requirements for petroleum pipe lines intelligence, will be drafted by the Munitions Board Petroleum Committee. These drafts will require approval by the NIS Committee before becoming effective.

e. The Corps of Engineers will continue, as at present, to produce NIS intelligence on petroleum pipe lines for the remainder of FY 1950.

f. The Munitions Board Petroleum Committee will receive no additional funds by reason of assumption of responsibility for producing intelligence on petroleum pipe lines.

g. NIS intelligence concerning other means of petroleum transportation, such as tank cars and tank ships, will remain in Chapter III, to which cross reference will be made in Subsection 62C and Supplement V.

An unedited draft of stenographic notes on the discussion leading to the foregoing decisions is attached hereto.

3. The following decisions were reached relative to the classification of surplus NIS maps distributed to non-IAC Agencies:

a. The presence of NIS Area boundary lines on a map does not, of itself, require the map to be classified.

b. The credit line at the bottom of the map (showing the name of the agency preparing the map and the date of preparation, if indicated) does not, of itself, require the map to be classified.

c. The credit line at the top of the map (showing the agency responsible for the section of which the map is a part) does, of itself, require the map to be classified RESTRICTED. Henceforward, this credit line will be removed from surplus NIS maps.

d. The presence of NIS Area numbers (whether a single number or several numbers) on a map requires the map to be classified CONFIDENTIAL when it is used outside the NIS Program. Base maps with NIS Areas defined as such will continue to be classified RESTRICTED used only within the NIS Program.

4. The Army member submitted a draft of a proposed security directive to recipients of NIS. D/NIS will reproduce this draft and distribute it to the members. The draft will be reconsidered at the next meeting.

5. The next meeting was scheduled for 1000 hours, Tuesday, 28 February 1950, at CIA.

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Encl: (1)

Distribution:

NIS Committee

Members (4)

Mr. Earman (JIG)

AD/ORE

EC, D/NIS

Chief, D/Ma

PO, D/NIS

LO, D/NIS

D/NIS File

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(Minutes on Item 1 of Agenda: Proposal to place  
"Petroleum Pipe Lines" in Subsection 62C and  
Supplement V rather than in Chapter III)

Col. Mattice:

The question has come up as to whether the treatment of petroleum pipe lines should remain in Chapter III or be placed in Chapter VI and Supplement V, or whether parts of it should go in one and parts in the other. (He then read to the Committee the memorandum from Admiral Biggs re production of petroleum subsection 62C and Supplement V. He then asked for the views of the working level in order to get both sides of the question, after which there would be further discussion.) The issue is:

- a. Whether petroleum pipe lines should remain where it now is in Chapter III; or
- b. Whether it should be taken out of Chapter III and put bodily in Subsection 62C and Supplement V; or
- c. Whether some aspects should remain in Chapter III and others put in Chapter VI and Supplement V.

The basis of our decision should not involve merely consideration of the paramount interest in the subject. It is quite obvious that both the Engineers, TC and that type of user do have a major interest in this subject. Likewise the users of petroleum intelligence in general have a major interest in the subject. We should consider not only the paramount interest but likewise the comparative ability to produce this type of intelligence because no matter where it appears in the NIS Program, whether in one or the other or both, it will be available to all users. We should also consider capability to produce. It may develop that, for example, the Engineers have greater capability to produce certain parts of this intelligence and that the PC have greater capability to produce other types, or it may develop one or the other has greater capability all around.

Maj. Latta (PC):

In amplifying Admiral Biggs' remarks, the Admiral requested, in his letter, discussion generally on all forms of transportation. He did not

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confine it to pipe lines. It is realized that every mode of transportation is of concern to the agencies dealing with transportation as such. In the petroleum field there exist certain peculiar types of transportation which exist only for petroleum and no other commodity and some which use the same means of transportation that other commodities use. Where possible the Admiral believes that the major work should be done by the PC on those means of transportation which are exclusively or as a majority used by the petroleum industry and the remainder of it, statistical, etc., by other agencies, as an example, pipe lines on the one hand and railways on the other. The set up within the Department of Defense is such that all intelligence information collected by CIA and the service agencies that even smells greasy is sent over to PC. In addition to these sources of information we have direct access to industry. As a result of a recent decision, it was decided within the Department of Defense that the Engineers would only go to industry through the PC. As for access to information the PC could go to industry rather than Engineers going through PC to industry on those matters. As far as pipe lines are concerned they exist, with the exception of a few water lines amounting to less than 1 percent of the total in the world, entirely for petroleum or natural gas and they have no other use. The Admiral thought for that reason the PC with its direct access to sources of information and the paramount interest it has in that it is used exclusively in the petroleum field, including natural gas, that that would more naturally appear in the petroleum section. This does not deny to any other agency of the National Military Establishment or of the government the right to come in and ask questions specifically before or after the information is published for any amount of detail they desire.

Lt. Col. Ruwet (Army)

There are two questions to be solved. The basic one is whether we should leave petroleum pipe lines where it is or put it in Chapter VI. Another basic one is the question of allocation of production responsibility. The directive under which the PC works does state that petroleum intelligence required by the Department of Defense will be compiled by the PC and they are to hold themselves in readiness to meet the needs of the three Secretaries. The main concern of the Department of the Army is not necessarily the location of the material within the NIS but with production responsibility not only in direct connection with the NIS but in connection with operational responsibilities exclusive or inclusive of the NIS, that is, operational responsibilities as distinguished from intelligence responsibilities. We and the other two services still have responsibility for production of staff intelligence directed by NSC, each agency being responsible for its own staff intelligence. We wish to be assured that no matter who produces the basic intelligence for the NIS that Army will be able to have, when we need it, the intelligence required to meet our operational commitments. We are concerned with the fact that Engineers are specifically charged with instructing, repairing, maintaining, and operating portable fixed electric lights, etc., and all other general

utilities including field water supply and pipe lines. It is axiomatic that in order properly to fulfill those functions they must have such information available through such an agency as the Munitions Board which entails a certain amount of duplication. Every time the Engineers need to know a detail, the PC would not want Army to look at their files. There must be certain basic files in Corps of Engineers. A certain amount of basic intelligence which conflicts with NIS will have to be performed by the Department of the Army.

Maj. Latta (PC):

Inasmuch as the Engineers recognize that the PC is charged with primary responsibility for intelligence on petroleum matters, including pipe lines, the fact whether you duplicate such files of the PC as you need for your own work in executing your assigned responsibilities is a matter for determination within your office. It does not mean that having such responsibilities and desiring to duplicate such information has any significance as far as the primary responsibility concerned which was placed on the PC by the Secretary of Defense, who incidentally prohibited the duplication of facilities. The fact the Engineers acknowledge the primary responsibility as placed by the Secretary of Defense upon the PC for petroleum intelligence matters should be sufficient and that if the Engineers desire to duplicate or obtain information by letter or otherwise they will find that the PC will cooperate. We have had such requests from the Engineers and they have been acted upon. We should assume good faith and the fact that a man charged with responsibility will carry out his job.

Lt. Col. Rumet (Army):

The Secretary of Defense has issued a directive which is quite clear and which Army is not questioning. The question of duplication of intelligence within the Department of Defense is the concern of CIA by law. It does concern NIS because the question of allocation of responsibility for production of the NIS rests with the NIS Committee alone and is executed through the Director of Central Intelligence.

Col. Mattice:

I don't want to raise any jurisdictional questions. When the PC gets into gear and takes over the responsibility, both of the interested parties in this question of petroleum pipe lines will be in the Department of Defense. At the present time, as regards such petroleum intelligence as is being produced, one part is being produced in Department of Defense (Engineers) and the rest is being produced by the Bureau of Mines. In view of the fact that the forthcoming producers of all petroleum intelligence will be components of the Department of Defense, there will be a tendency to keep referring to the

directive of the Secretary of Defense as final authority in all matters. The NIS is not subject to the jurisdiction of the Secretary of Defense. The allocation of responsibility for production and maintenance of NIS and placement of NIS subjects is within the jurisdiction of the NIS Committee. The NIS Committee in exercising its jurisdiction on this must take into account the reactions and repercussions of any changes that we make have within the Department of Defense. The two cannot be torn apart. If a change is made it must be satisfactory to all parties concerned and certainly components of the Department of Defense will have to be satisfied. When the petroleum pipe lines and the petroleum supplement are produced, there will be many users of it outside of the Department of Defense. NSCID No. 3 directs the NIS Program to produce all of the basic intelligence needed by the government, not only by the Department of Defense. If any other government agency shows us that it is necessary for them to have intelligence, including petroleum intelligence, to accomplish their mission we are bound to provide them with NIS as well as the Armed Services. The Department of State, for instance, might very well be interested in petroleum. We are not attempting at this meeting to decide any of the internal problems of the Department of Defense. We are trying to decide this matter from the NIS point of view but in coming to our position from the NIS point of view we must, of course, consider the reactions and repercussions within the Department of Defense. The jurisdiction over the NIS and all matters pertaining thereto rests with the NIS Committee but since both of the producing components now involved are members of the Department of Defense the special directive should be considered. Final decision must be made from the broader viewpoint.

Maj. Latta (PC):

We have realized in the PC, inasmuch as we have worked closely with other government agencies, the purpose of this NIS and there are no doubts in our mind about its ultimate use nor about the allocation of responsibility except such parts of it as in taking cognizance of who would produce them who is doing that sort of work and has access to information. The PC is placed in a primary position for the information by directive in addition to industry contact.

Lt. Col. Ruwet (Army):

NIS meets the basic intelligence requirements of the government. Concurrently with basic intelligence requirements in terms of NIS, there is a continuing need to perform intelligence services concurrently with the production of the NIS. A great deal of that need is being continually satisfied by the Corps of Engineers. These requests are not only confined to requests within the Department of the Army but also from without. The question really is would the PC be prepared and do they consider it part and parcel of their charter to accept that responsibility also.

Maj. Latta (PC):

All sorts of requests come in on petroleum matters, which are continually being referred to PC by the Secretary of Defense, RDB, and in addition the Service Staffs and Secretaries. We have had this responsibility since 1942 and to undertake this job is merely formalizing one of the things we are automatically doing anyway.

Col. Mattice:

At the present time the Corps of Engineers has the responsibility for preparing Section 34, Petroleum Pipe Lines. Where does the Corps of Engineers get the information from which it prepares this intelligence - through the PC, through other sources, or where?

Maj. Cowart (Engineers):

Over a period of years that has been assembled in the Corps of Engineers Intelligence Division from all sources - own field collection and utilization of ID sources which include all available sources on petroleum information. Engineers has access to CIA, State, Petroleum Board information and own field collection and assembly of all data collected from year to year.

Col. Mattice:

Assuming that PC should take this over would the Corps of Engineers not be able to draw on the PC to amplify its own sources for information with which to accomplish its mission?

Maj. Latta (PC):

The Corps of Engineers do call on us.

Col. Mattice:

When the NIS Program has been completed and placed upon a maintenance basis, all offices of the government that need basic intelligence, including Engineers, PC, and others, will have the NIS available to furnish basic intelligence upon which to formulate their staff intelligence. At the present time the NIS Program is by no means that far advanced. There are basic intelligence questions coming up every day concerning areas which the NIS has not touched. Therefore, in the interim it is necessary for the various agencies having to produce estimates to do a certain amount of non-NIS basic intelligence.

Lt. Col. Ruwet (Army):

That is correct. Is it correct for us to assume that if the Department of State comes to ID through intelligence channels with a specific question on petroleum, it would be entirely proper to refer it to the PC?

Maj. Latta (PC):

Exactly. That has been the practice of Air Force and Navy for last two years. On pipe lines specifically, the Quartermaster Corps asked the opinion of industry and petroleum people generally as to whether big and little inch will go back in gas service. There have been questions from outside the Department of Defense and inside the Department of Defense.

Lt. Col. Ruwet (Army):

I would like to point out that a great many questions of that nature are presently being shortstopped by Engineers and handled by them before reaching the PC.

We do carry on at the present time a collection program in connection with pipe lines which is designed specifically to fulfill NIS requirements. Assuming that the allocation of responsibility is changed from the Department of the Army to the Munitions Board, do we automatically go out of that collection business and let PC take over or do we continue to budget and carry that burden?

Maj. Latta (PC):

What money it takes and what the system is, I am not familiar with field collection service at the present time. Cannot answer the question.

Lt. Col. Ruwet (Army):

Will you continue as you do now to depend to a certain extent upon the existing field collection agencies operated by the Department of the Army?

Maj. Latta (PC):

If that is part of ID, ID goes right on. Were field collectors in the field before NIS or have they been put there specifically for the NIS?



Lt. Col. Ruwet (Army):

Collection teams were sent out specifically to fill specific gaps in basic intelligence.

Maj. Latta (PC):

The teams do not confine themselves to petroleum pipe lines.

Lt. Col. Ruwet (Army):

In some cases it would be confined to petroleum.

Maj. Latta (PC):

If the intelligence agencies presently existing cannot get the information or obtain it from any industry source, we would have to obtain that through some governmental sources. Assume it would require no greater budgetary amount to pick up information on petroleum if (teams) go out for something else. It will be necessary to examine all sources to determine any gaps.

Cdr. Howell (Navy):

All these matters were stated when the PC got the responsibility for production. That they would be required to produce, and also take over responsibility for maintenance was specifically covered in agreements between CIA and PC.

Lt. Col. Ruwet (Army):

We have supported and been able to budget for certain collection necessary for NIS but we will not be able any longer to support a budget to collect specifically this sort of technical information.

Col. Mattice:

My understanding of the matter of responsibility for production and maintenance of the petroleum supplement and Subsection 62C is the same as Cdr. Howell's view. When the PC made its estimate of the budget, all those matters were taken into consideration. At that time petroleum pipe lines was in Chapter III. Whether or not the PC envisions taking over petroleum pipe lines, I don't know. The budget for 1951 for this matter is already in. Hence, any demands or requests by the PC for additional slices of CIA budget

by reason of the fact that PC now takes over petroleum pipe lines would not be met.

Cdr. Friedman (PC):

In order to satisfactorily present the complete petroleum picture, we must tie in certain phases of petroleum transportation. To eliminate the transportation picture completely would not permit us to present a good petroleum chapter. It must be covered in a satisfactory measure so we can perform our function.

Lt. Col. Ruwet (Army):

We agree that the question of the placement of petroleum pipe lines in either Chapter III or Chapter VI is immaterial. It should be cross-referenced between VI and III. In light of the discussion here today, we have no objection to transfer of allocation.

Mr. Lydman (State):

We would prefer to have it in Chapter VI - both in the section and in the supplement. For our particular use petroleum pipe lines is an economic problem and we want it in Chapter VI.

Lt. Col. Wade (Air Force): Agreed.

Lt. Cdr. Nutt (Navy): Agreed.

Col. Mattice:

Is it agreed that petroleum pipe lines will be transferred in toto from Chapter III, Section 34 to Subsection 62C and Supplement V?

Cdr. Howell (Navy):

Will same treatment be accorded in both places?

Col. Mattice:

Section 34 should be withdrawn from Chapter III and turned over to the PC. It would have to be worked into Subsection 62C and Supplement V by the PC.

Cdr. Howell (Navy):

As to Chapter VI - State as users wants a discussion of that material from a sociological and economical point of view. The services want pipe lines from a facility point of view. Two different end results for two different purposes. It will have to meet both requirements.

Col. Mattice:

It will have to meet all requirements of all users. It is true that the Department of State acts as the section coordinator for Section 62 which includes 62C. Likewise, since Supplement V is hooked on to 62C, the Department of State will coordinate Supplement V. In other words, the Department of State will retain its status as section and supplement coordinator.

Lt. Col. Ruwet (Army):

The final approval of the outline is up to the NIS Committee.

Col. Mattice:

It will be approved or revised if it does not meet the approval of the Committee.

Lt. Cdr. Nutt (Navy):

If pipe lines as a facility of transportation are out in the Economic chapter, how are we going to cover that facility in transportation? The services are concerned with pipe lines as such and as to how much oil can be transported.

Col. Mattice:

This will be taken care of by cross reference. Section 34 will be withdrawn from Chapter III and passed to the PC to be integrated into Sub-section 62C and Supplement V. The final draft of both will be submitted to the NIS Committee, and in the meantime ID will continue to work on the subject of petroleum pipe lines for Chapter III until the end of the fiscal year.

Lt. Col. Ruwet (Army):

It is suggested that notation be made that the final outline will be subject to the approval of the NIS Committee at which time each agency can examine it to see whether in fact it meets the requirements of that agency.

Will production start at beginning of next fiscal year?

Col. Mattice: Yes.

Lt. Col. Ruwet (Army):

The Engineers will continue until the end of this fiscal year.

Mr. Ortiz (PC):

I have a list of countries for FY 1950. Where will the PC take up the responsibility - at the end of the fiscal year or those countries which have not been finished?

Lt. Col. Ruwet (Army):

You will have to take up where physically left off and I do not think Army will finish schedule.

Col. Mattice:

The JS new requirements and priorities might be out this week. We will then, as a matter of urgent priority, revise the schedule for 1950 and formulate the schedule for 1951 based on the new requirements and the new priorities. I do not believe anyone should worry about schedules at this time.